

From: Wayne Hedberg
To: Minerals
Date: Mon, Jan 24, 2000 5:04 PM
Subject: Interim Bonding Phone Conversation, Clifton Mining Co. (Cactus Mill Site - M/045/049)

On January 24, 2000, I called Bill Moeller of Clifton Mining Company to discuss the status of the outstanding \$27,000 interim reclamation surety which we had originally requested of the operator in July of 1999. Several time extensions had come and gone since the original request to post this surety, the latest being January 19, 2000. I placed an earlier call to Mr. Moeller on January 21st to advise him once again that the surety was overdue. I missed two return calls from Mr. Moeller (one Friday afternoon and one early Monday morning).

I advised Mr. Moeller that we are currently re-evaluating our policy on the use of interim bonding instruments and have temporarily suspended requiring this type of surety. We are rethinking the interim bonding process and will not require Clifton Mining Company to post their \$27,000 interim surety for the time being. I told Mr. Moeller that we would send him a followup letter in the near future outlining our position further. I did advise him that at a minimum we probably would not allow any continued operations at the millsite until their Large Mine permit application (presently under review) is approved and an appropriate reclamation surety is in place. He stated he felt this was a fair position to take and thanked me for calling and passing on the good news.

A COPY OF THIS EMAIL WILL BE COPIED TO THE CACTUS MILL SITE CORRESPONDENCE FILE (M/045/049).

CC: Mary Ann Wright